



FEDERAL ELECTION COMMISSION  
Washington DC 20463

THIS IS THE BEGINNING OF ADMINISTRATIVE FINE CASE # 2818

DATE SCANNED

3/13/15

SCANNER NO.

2

SCAN OPERATOR

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1-800-4-USA-1111



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
2014 SEP 12 PM 4:59

September 12, 2014

MEMORANDUM

**SENSITIVE**

TO: The Commission

THROUGH: Alec Palmer *PCO*  
Staff Director

FROM: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Debbie Chacona *DC*  
Assistant Staff Director  
Reports Analysis Division

BY: Kristin D. Roser/Sari Pickerall *KDR* *SP*  
Reports Analysis Division  
Compliance Branch

SUBJECT: Reason To Believe Recommendation – 2014 July Quarterly Report for the  
Administrative Fine Program

Attached is a list of political committees and their treasurers who failed to file the 2014 July Quarterly Report in accordance with 52 U.S.C. § 30104(a) (formerly 2 U.S.C. 434(a)). The 2014 July Quarterly Report was due on July 15, 2014.

The committees listed in the attached RTB Circulation Report either failed to file the report<sup>1</sup>, no more than thirty (30) days after the due date (considered a late filed report), or filed the report more than thirty (30) days after the due

<sup>1</sup> The committee (AF 2818) represents a candidate that participated in the 2014 Primary in Georgia. The committee was required to file a 2014 July Quarterly Report (Q2) covering 5/1/2014 - 6/30/2014 (61 days). An estimated level of activity was calculated using a per-diem average by multiplying the previous activity reported for the 2013-2014 election cycle (\$409,067) by 12.58% (61 days required in Q2 / 485 days reported in the 2013-2014 election cycle).

The committee (AF 2820) represents a candidate that participated in the 2014 Primary in South Carolina. The committee was required to file a 2014 July Quarterly Report (Q2) covering 5/22/2014 - 6/30/2014 (40 days). An estimated level of activity was calculated using a per-diem average by multiplying the previous activity reported for the 2013-2014 election cycle (\$125,244) by 8.91% (40 days required in Q2 / 449 days reported in the 2013-2014 election cycle).

date (considered a non-filed report). In accordance with the schedule of civil money penalties for reports at 11 CFR 111.43, these committees should be assessed the civil money penalties highlighted on the attached circulation report.

**Recommendation**

1. Find reason to believe that the political committees and their treasurers listed on the RTB Circulation Report violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalties would be the amounts indicated on the RTB Circulation Report.
2. Send the appropriate letters.

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Federal Election Commission  
Reason to Believe Circulation Report  
2014 JULY QUARTERLY Not Election Sensitive 07/15/2014 H\_S\_P\_UNAUTH

AF#	Committee ID	Committee Name	Candidate Name	Treasurer	Threshold	PV	Receipt Date	Days Late	LOA	RTB Penalty
2814	C00540385	BEALE FOR CONGRESS	BEALE, ANTHONY A	STEVEN R BURRIS	\$369,434	4		Not Filed	\$92,359 (est)	\$7,700
2815	C00431056	BOB CASEY FOR SENATE INC	CASEY, ROBERT P JR	CHARLES LYONS	\$1,412,155	0		Not Filed	\$282,431 (est)	\$9,800
2816	C00468009	EDWARDS WILDMAN PAC INC		JOHN HOLTHAUS	\$137,323	3	8/11/2014	27	\$6,085	\$332
2817	C00416305	FIRST COLONIES ANESTHESIA ASSOCIATES LLC POLITICAL ACTION COMMITTEE		JEREMY ROTH MD	\$158,897	0	8/14/2014	30	\$29,895	\$800
2818	C00504175	FRIENDS OF STEPHEN K. SIMPSON, INC.	SIMPSON, STEPHEN K MR.	JOEL A. GRAHAM	\$409,068	0		Not Filed	\$51,449 (est)	\$2,970
2819	C00354613	INT LONGSHOREMENS ASSOC (ILA) LOCAL 1291 POLITICAL ACTION COMMITTEE		MARTIN MASCUILLI	\$103,112	2	7/23/2014	8	\$23,463	\$225
2820	C00543033	JAY STAMPER FOR SENATE COMMITTEE	STAMPER, JEREMY MICHAEL	JEREMY M STAMPER	\$125,244	0		Not Filed	\$11,157 (est)	\$550
2821	C00540914	JONATHAN HOFFMAN FOR CONGRESS	HOFFMAN, JONATHAN	MATTHEW G. WATSON	\$127,307	0		Not Filed	\$21,218 (est)	\$550
2822	C00545715	JORGE BONILLA FOR US CONGRESS INC	BONILLA, JORGE L JR	MAGDALENA BONILLA	\$270,956	0	7/23/2014	8	\$133,788	\$1,660
2823	C00546267	KIRK JORGENSEN FOR CONGRESS	JORGENSEN, KIRK	MICHELLE D MOONS	\$716,667	0	9/2/2014	Not Filed	\$107,400	\$4,950
2824	C00546713	OWEN HILL FOR SENATE	HILL, OWEN	OWEN J HILL	\$749,554	0	8/18/2014	Not Filed	\$43,091	\$1,090
2825	C00369181	REPUBLICAN PARTY OF BEXAR COUNTY		SCOTT J STRATTON	\$525,080	0	8/6/2014	22	\$21,558	\$220
2826	C00547299	RICHARD BOLGER FOR CONGRESS	BOLGER, RICHARD OWEN	JAMES B VELTRI	\$223,226	0		Not Filed	\$74,409 (est)	\$2,970

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Reason To Believe Recommendation - 2014	)	
July Quarterly Report for the Administrative	)	
Fine Program:	)	
BEALE FOR CONGRESS, and STEVEN R	)	AF# 2814
BURRIS as treasurer;	)	
BOB CASEY FOR SENATE INC, and	)	AF# 2815
CHARLES LYONS as treasurer;	)	
EDWARDS WILDMAN PAC INC, and	)	AF# 2816
HOLTHAUS, JOHN as treasurer;	)	
FIRST COLONIES ANESTHESIA	)	AF# 2817
ASSOCIATES LLC POLITICAL ACTION	)	
COMMITTEE, and JEREMY ROTH MD	)	
as treasurer;	)	
FRIENDS OF STEPHEN K. SIMPSON,	)	AF# 2818
INC., and GRAHAM, JOEL A. as treasurer;	)	
INT LONGSHOREMENS ASSOC (ILA)	)	AF# 2819
LOCAL 1291 POLITICAL ACTION	)	
COMMITTEE, and MARTIN MASCUILLI	)	
as treasurer;	)	
JAY STAMPER FOR SENATE	)	AF# 2820
COMMITTEE, and JEREMY M	)	
STAMPER as treasurer;	)	
JONATHAN HOFFMAN FOR	)	AF# 2821
CONGRESS, and WATSON, MATTHEW	)	
G. as treasurer;	)	
JORGE BONILLA FOR US CONGRESS	)	AF# 2822
INC, and MAGDALENA BONILLA as	)	
treasurer;	)	
KIRK JORGENSEN FOR CONGRESS,	)	AF# 2823
and MICHELLE D MOONS as treasurer;	)	
OWEN HILL FOR SENATE, and OWEN J	)	AF# 2824
HILL as treasurer;	)	
REPUBLICAN PARTY OF BEXAR	)	AF# 2825
COUNTY, and STRATTON, SCOTT J as	)	
treasurer;	)	

RICHARD BOLGER FOR CONGRESS,            AF# 2826  
and JAMES B VELTRI as treasurer;

CERTIFICATION

I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election

Commission, do hereby certify that on September 16, 2014 the Commission took the following actions on the Reason To Believe Recommendation - 2014 July Quarterly Report for the Administrative Fine Program as recommended in the Reports Analysis Division's Memorandum dated September 12, 2014, on the following committees:

AF#2814      Decided by a vote of 6-0 to: (1) find reason to believe that BEALE FOR CONGRESS, and STEVEN R BURRIS as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2815      Decided by a vote of 6-0 to: (1) find reason to believe that BOB CASEY FOR SENATE INC, and CHARLES LYONS as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2816      Decided by a vote of 6-0 to: (1) find reason to believe that EDWARDS WILDMAN PAC INC, and HOLTHAUS, JOHN as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2817      Decided by a vote of 6-0 to: (1) find reason to believe that FIRST COLONIES ANESTHESIA ASSOCIATES LLC POLITICAL ACTION COMMITTEE, and JEREMY ROTH MD as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the

amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2818 Decided by a vote of 6-0 to: (1) find reason to believe that FRIENDS OF STEPHEN K. SIMPSON, INC., and GRAHAM, JOEL A. as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2819 Decided by a vote of 6-0 to: (1) find reason to believe that INT LONGSHOREMENS ASSOC (ILA) LOCAL 1291 POLITICAL ACTION COMMITTEE, and MARTIN MASCUILLI as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2820 Decided by a vote of 6-0 to: (1) find reason to believe that JAY STAMPER FOR SENATE COMMITTEE, and JEREMY M STAMPER as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2821 Decided by a vote of 6-0 to: (1) find reason to believe that JONATHAN HOFFMAN FOR CONGRESS, and WATSON, MATTHEW G. as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2822 Decided by a vote of 6-0 to: (1) find reason to believe that JORGE BONILLA FOR US CONGRESS INC, and MAGDALENA BONILLA as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2823 Decided by a vote of 6-0 to: (1) find reason to believe that KIRK JORGENSEN FOR CONGRESS, and MICHELLE D MOONS as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2824 Decided by a vote of 6-0 to: (1) find reason to believe that OWEN HILL FOR SENATE, and OWEN J HILL as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2825 Decided by a vote of 6-0 to: (1) find reason to believe that REPUBLICAN PARTY OF BEXAR COUNTY, and STRATTON, SCOTT J as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

AF#2826 Decided by a vote of 6-0 to: (1) find reason to believe that RICHARD BOLGER FOR CONGRESS, and JAMES B VELTRI as treasurer violated 52 U.S.C. 30104(a) (formerly 2 U.S.C. 434(a)) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate letter. Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voted affirmatively for the decision.

Attest:

September 17, 2014  
Date

Shawn Woodhead Werth  
Shawn Woodhead Werth  
Secretary and Clerk of the Commission





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 17, 2014

Joel A. Graham, in official capacity as Treasurer  
Friends of Stephen K. Simpson, Inc.  
P.O. Box 1960  
Milledgeville, GA 31059

C00504175  
AF#: 2818

Dear Mr. Graham:

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires that your committee file a July Quarterly Report of Receipts and Disbursements every calendar year. This report, covering the period May 1, 2014 through June 30, 2014, shall be filed no later than July 15, 2014. 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)). Records at the Federal Election Commission ("FEC") indicate that this report was not filed within thirty (30) days of the due date. You should file this report if you have not already done so.

The Act permits the FEC to impose civil money penalties for violations of the reporting requirements of 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)). 52 U.S.C. § 30109g(a)(4) (formerly 2 U.S.C. § 437g(a)(4)). On September 16, 2014, the FEC found that there is reason to believe ("RTB") that Friends of Stephen K. Simpson, Inc. and you, in your official capacity as treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) by failing to file timely this report on or before July 15, 2014. Based on the FEC's schedules of civil money penalties at 11 CFR § 111.43, the amount of your civil money penalty calculated at the RTB stage is \$2,970. Please see the attached copy of the Commission's administrative fine regulations at 11 CFR §§ 111.30-111.55. Attachment 1. The Commission's website contains further information about how the administrative fine program works and how the fines are calculated. See <http://www.fec.gov/af/af.shtml>. 11 CFR § 111.34. Your payment of \$2,970 is due within forty (40) days of the finding, or by October 26, 2014, and is based on these factors:

Sensitivity of Report: Not Election Sensitive  
Level of Activity: \$51,449  
Number of Days Late: Not Filed  
Number of Previous Civil Money Penalties Assessed: 0

At this juncture, the following courses of action are available to you:

**1. If You Choose to Challenge the RTB Finding and/or Civil Money Penalty**

If you should decide to challenge the RTB finding and/or calculated civil money penalty, you must submit a written response, including the AF# found at the top of page 1 under your

committee's identification number, to the FEC's Office of Administrative Review, 999 E Street, NW, Washington, DC 20463. Your response must be received within forty (40) days of the Commission's RTB finding, or October 26, 2014. 11 CFR § 111.35(a). Your written response must include the reason(s) why you are challenging the RTB finding and/or calculated civil money penalty, and must include the factual basis supporting the reason(s) and supporting documentation. The FEC strongly encourages that documents be submitted in the form of affidavits or declarations. 11 CFR § 111.36(c).

The FEC will only consider challenges that are based on at least one of three grounds: (1) a factual error in the RTB finding; (2) miscalculation of the calculated civil money penalty by the FEC; or (3) your demonstrated use of best efforts to file in a timely manner when prevented from doing so by reasonably unforeseen circumstances that were beyond your control. 11 CFR § 111.35(b). In order for a challenge to be considered on the basis of best efforts, you must have filed the required report no later than 24 hours after the end of these reasonably unforeseen circumstances. *Id.* Examples of circumstances that will be considered reasonably unforeseen and beyond your control include, but are not limited to: (1) a failure of Commission computers or Commission-provided software despite your seeking technical assistance from Commission personnel and resources; (2) a widespread disruption of information transmissions over the Internet that is not caused by a failure of the Commission's or your computer systems or Internet service provider; and (3) severe weather or other disaster-related incident. 11 CFR § 111.35(c). Examples of circumstances that will not be considered reasonably unforeseen and beyond your control include, but are not limited to: (1) negligence; (2) delays caused by vendors or contractors; (3) treasurer and staff illness, inexperience or unavailability; (4) committee computer, software, or Internet service provider failures; (5) failure to know filing dates; and (6) failure to use filing software properly. 11 CFR § 111.35(d).

The "failure to raise an argument in a timely fashion during the administrative process shall be deemed a waiver" of your right to present such argument in a petition to the U.S. district court under 52 U.S.C. § 30109g (formerly 2 U.S.C. § 437g). 11 CFR § 111.38.

If you intend to be represented by counsel, please advise the Office of Administrative Review. You should provide, in writing, the name, address and telephone number of your counsel and authorize counsel to receive notifications and communications relating to this challenge and imposition of the calculated civil money penalty.

## **2. If You Choose Not to Pay the Civil Money Penalty and Not to Submit a Challenge**

If you do not pay the calculated civil money penalty and do not submit a written response, the FEC will assume that the preceding factual allegations are true and make a final determination that Friends of Stephen K. Simpson, Inc. and you, in your official capacity as treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and assess a civil money penalty.

Unpaid civil money penalties assessed through the Administrative Fine regulations will be subject to the Debt Collection Act of 1982 ("DCA"), as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 *et seq.* The FEC may take any and all appropriate

action authorized and required by the DCA, as amended, including transfer to the U.S. Department of the Treasury for collection. 11 CFR § 111.51(a)(2).

**3. If You Choose to Pay the Civil Money Penalty**

If you should decide to pay the calculated civil money penalty, send the enclosed remittance form, along with your payment, to the FEC at the address on page 4. Upon receipt of your payment, the FEC will send you a final determination letter.

**NOTICE REGARDING PARTIAL PAYMENTS AND SETTLEMENT OFFERS**

**4. Partial Payments**

If you make a payment in an amount less than the calculated civil money penalty, the amount of your partial payment will be credited towards the full civil money penalty that the Commission assesses upon making a final determination.

**5. Settlement Offers**

If you make a payment in an amount less than the calculated civil money penalty as an offer to settle or compromise a debt owed to the Commission, the offer is herewith rejected despite any restrictive endorsements contained on your check or money order or proposed in correspondence transmitted with your check or money order. Acceptance and deposit or cashing of such a restricted payment does not constitute acceptance of the settlement offer. Payments containing restrictive endorsements will be deposited and treated as a partial payment towards the civil money penalty that the Commission assesses upon making a final determination. All unpaid civil money penalty amounts remaining will be subject to the debt collection procedures set forth in Section 2, above.

This matter was generated based on information ascertained by the FEC in the normal course of carrying out its supervisory responsibilities. 52 U.S.C. § 30109g(a)(2) (formerly 2 U.S.C. § 437g(a)(2)). It will remain confidential in accordance with 52 U.S.C. § 30109g(a)(4)(B) (formerly 2 U.S.C. § 437g(a)(4)(B)) and 30109g(a)(12)(A) (formerly 437g(a)(12)(A)) until it is placed on the public record in accordance with 11 CFR § 111.42, unless you notify the FEC in writing that you wish the matter to be made public.

As noted earlier, you may obtain additional information on the FEC's administrative fine program, including the final regulations, on the FEC's website at <http://www.fec.gov/af/af.shtml>. If you have questions regarding the payment of the calculated civil money penalty, please contact Sari Pickerall in the Reports Analysis Division at our toll free number (800) 424-9530 (at the prompt press 5) or (202) 694-1130. If you have questions regarding the submission of a challenge, please contact the Office of Administrative Review at our toll free number (800) 424-9530 (press 0, then ext. 1660) or (202) 694-1660.

On behalf of the Commission,



Lee E. Goodman  
Chairman

-----  
**ADMINISTRATIVE FINE REMITTANCE & PAYMENT INSTRUCTIONS**

In accordance with the schedule of penalties at 11 CFR § 111.43, the amount of your civil money penalty calculated at RTB is \$2,970 for the 2014 July Quarterly Report.

Please mail this remittance with a check or money order made payable to the Federal Election Commission to the following address:

Federal Election Commission  
P.O. Box 979058  
St. Louis, MO 63197-9000

If you choose to send your remittance and payment by courier or overnight delivery, please use this address:

U.S. Bank - Government Lockbox  
FEC #979058  
1005 Convention Plaza  
Attn: Government Lockbox, SL-MO-C2GL  
St. Louis, MO 63101

The remittance and your payment are due by October 26, 2014. Upon receipt of your remittance and payment, the FEC will send you a final determination letter.

**PAYMENTS BY PERSONAL CHECK**

Personal checks will be converted into electronic funds transfers (EFTS). Your account will be electronically debited for the amount on your check, usually within 24 hours, and the debit will appear on your regular statement. We will destroy your original check and keep a copy of it. In case the EFT cannot be processed for technical reasons, you authorize us to process the copy in lieu of the original check. Should the EFT not be completed because of insufficient funds, we may try to make the transfer twice.

**PLEASE DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT**  
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FOR: Friends of Stephen K. Simpson, Inc.

FEC ID#: C00504175

AF#: 2818

PAYMENT DUE DATE: October 26, 2014

PAYMENT AMOUNT DUE: \$2,970

Joel A. Graham

Marietta, Georgia 30064

2014 OCT 28 AM 7: 52

October 20, 2014

Federal Elections Commission  
Office of Administrative Review  
999 E Street, NW  
Washington, DC 20463

Re: C00504175, AF# 2818, Friends of Stephen K. Simpson, Inc.

Dear Madam or Sir:

In response to the Commission letter dated September 17, 2014, this letter outlines the basis for challenging the Commission's Reason to Believe ("RTB") finding and calculated fine amount.

**I. Relevant Facts**

In two election cycles, the Friends of Stephen K. Simpson Committee ("Committee") has incurred no prior election law violations or administrative fines. The Committee takes pride in this record and has taken measures to comply with the law and deal with filing issues in a proactive and timely manner. I Joel Graham, treasurer for the Committee, was unable to file the July 15 quarterly report until October 3, 2014, despite my best efforts made to do so. Following our candidate's loss in the 2014 primary, I contacted the committee's Certified Public Accountant, Stephen C. Brown, to discuss the July 15 quarterly report. Mr. Brown indicated that he would generate the report for filing in a timely manner. Before the deadline, on July 14<sup>th</sup>, Mr. Brown attempted to open and update the Committee files, only to find them corrupted. Mr. Brown then emailed the files to me, which I also attempted to open without success. Following attempts to contact FEC Technical Support by telephone, he consulted with the online FECFile Software support and user manual. After realizing that our Committee files were irretrievably corrupted, Mr. Brown commenced a full manual rebuild of the Committee file. This process took us nearly three months, from July 15, 2014 to October 3, 2014. During this time, I spoke with Mr. Brown regularly by telephone during July and September to inquire into the status of the rebuild and remind him of the time-sensitivity of the task. Upon completion of the rebuilt file, I reviewed the report and

uploaded it to FEC Servers on October 3, 2014 – within 24 hours of the end of the unforeseen technical difficulties.

**II. Failure of Commission Software provides sufficient grounds for a "best efforts" defense.**

The Code of Federal Regulations, 11 CFR 111.35 outlines sufficient grounds for challenging a RTB finding. Among these is where, "The respondent used best efforts to file in a timely manner..." 11 CFR 111.35(b). Grounds sufficient to constitute a valid "best efforts" defense include "failure of... Commission-provided software despite your seeking technical assistance from Commission personnel and resources." 11 CFR 111.35(c). The circumstances encountered by the Committee in filing its July 15<sup>th</sup> Quarterly Report were encountered despite the informed use of the filing software, as evidenced by the Committee's history of correctly filed reports. As outlined in paragraph I. of this letter, Mr. Brown attempted to contact the Commission's Technical Support service, and thereafter consulted the online help and user manual for the software. Upon completion of the rebuilding of the Committee file, I verified and uploaded the July Quarterly report to the FEC Electronic Filing Server straightaway in order to comply with the 24 hour requirement of 11 CFR 111.35(b)(3). The Committee's effort in rebuilding the file accurately and completely, though time consuming, resulted in a true and correct reflection of the financial status of the Committee.

**III. Any administrative fine should be reduced to reflect the actual level of Committee activity.**


Administrative fine schedules set forth in 11 CFR 111.43 provide formulae for calculating any administrative fines levied against committees for late or non-filed reports. In the Commission's RTB letter, an administrative fine of \$2,970 was calculated based on a level of activity estimated at \$51,449. In actuality, the Committee collected \$8,075 in receipts for the Quarter, and paid out \$40,482 in disbursements. Using the regulatory formula and administrative fine calculator provided on the Commission website, any administrative fine levied as a result of the July Quarterly report should be \$1,090. 11 CFR 111.43(a).

#### IV. Conclusion and Plea for Dismissal of Administrative Fine

The former candidate, Mr. Stephen K. Simpson, currently has no plans to undertake any future campaign for Federal office. The only activities contemplated by the Committee at this juncture include the resolution of debts and winding down of Committee activity. The technological failure which led to the delayed filing of our July Quarterly report was unfortunate, and frankly embarrassing. But through my and Mr. Brown's efforts and the assistance of Commission resources, we were able to overcome these technical difficulties and submit our Quarterly Report. We humbly ask that you, our reviewing officer consider the situation of our committee and recommend dismissal of the administrative action based on our best efforts in resolving the difficulties we encountered in submitting our report.

Thank you for your consideration.

Sincerely,

  
Joel A. Graham

cc: Mr. Stephen C. Brown  
Mr. Stephen K. Simpson

**Date:** November 3, 2014

**REFERRAL TO OFFICE OF ADMINISTRATIVE REVIEW  
CHALLENGE RECEIVED**

**AF#: 2818**

**Committee Name:** Friends of Stephen K. Simpson, Inc.

**Committee ID#:** C00504175

**Committee Address (if different than in RTB letter):** N/A

**Treasurer Name (if different than in RTB finding):** N/A

**Attachments:**

- **Copy of RTB Circulation Report, dated September 12, 2014 and RTB Certification, dated September 17, 2014 (Y/N):** Previously Forwarded
- **Proof of Delivery (to be forwarded at later date if not yet received) (Y/N):** Y
- 
- **Other Relevant Telecoms (Y/N):** N
- **Original Correspondence Received by RAD in Response to RTB Letter (Y/N):** N
- **RAD Staff Declaration (Y/N):** Y
  - 2014 July Quarterly Report Notice, dated June 20, 2014.
  - Non-Filer Letter, dated August 4, 2014.
  - RTB Letter, dated September 17, 2014.
- **Other RAD Information: (Y/N):** Y
  - Memo to File, dated October 7, 2014





**This notice serves as proof of delivery for the shipment listed below.**

**Signed By:** **GRAHAM**

**Thank you for giving us this opportunity to serve you.**

**Tracking results provided by UPS: 10/08/2014 4:39 P.M. ET**

## DECLARATION OF KRISTIN D. ROSER

1. I am the Chief of the Compliance Branch for the Reports Analysis Division of the Federal Election Commission ("Commission"). In my capacity as Chief of the Compliance Branch, I oversee the initial processing of the Administrative Fine Program. I make this declaration based on my personal knowledge and, if called upon as a witness, could and would testify competently to the following matters.
2. I hereby certify that documents identified herein are true and accurate copies of the following sent by the Commission to Friends of Stephen K. Simpson, Inc.:
  - A) Report Notice, dated June 20, 2014, referencing the 2014 July Quarterly Report (sent via electronic mail to: jgraham@ssimpson.org);
  - B) Non-Filer Letter, dated August 4, 2014, referencing the 2014 July Quarterly Report (sent via electronic mail to: jgraham@ssimpson.org);
  - C) Reason-to-Believe Letter, dated September 17, 2014 referencing the 2014 July Quarterly Report (sent via overnight mail to the address of record).
3. I hereby certify that I have searched the Commission's public records and find that Friends of Stephen K. Simpson, Inc. filed the 2014 July Quarterly Report with the Commission on October 3, 2014.
4. Pursuant to 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct and that all relevant telecoms for the matter have been provided. This declaration was executed at Washington, D.C. on the 3<sup>rd</sup> day of November, 2014.

Kristin D. Roser

Kristin D. Roser  
Chief, Compliance Branch  
Reports Analysis Division  
Federal Election Commission

## JULY QUARTERLY REPORT NOTICE

### FEDERAL ELECTION COMMISSION

**CONGRESSIONAL COMMITTEES  
PARTIES AND PACS**

**June 20, 2014**

### CURRENT REPORT DUE

REPORT	CLOSE OF BOOKS <u>1</u>	REG./CERT. & OVERNIGHT MAILING DEADLINE	FILING DEADLINE
July Quarterly	06/30/14	07/15/14	07/15/14

### PRE- AND POST-ELECTION REPORTS

#### Congressional Committees

The principal campaign committee of any candidate participating in a 2014 state primary, nominating convention or runoff election – even if unopposed – must also file a pre-election report 12 days prior to the primary, nominating convention or runoff. The principal campaign committee of a candidate participating in the general election must file pre- and post-general election reports. Separate notices will be sent to explain these additional reporting obligations. See 11 CFR 104.5(a)(2).

#### Parties and PACs

Committees that make contributions or expenditures (including independent expenditures) in connection with an election must also file a Pre-Election Report, if the activity was not previously reported. See 11 CFR 104.5(c)(1)(ii).

- Web Page: 2014 Congressional Pre-Primary Reporting Dates
- *The Record*:
  - FEC Record Blog: Reporting
  - January 2014 Reporting Article [PDF]

### SUPPLEMENTAL FILING INFORMATION

- Congressional Committees
- Parties and PACs

### REPORTING SCHEDULE FOR REMAINDER OF 2014

REPORT	CLOSE OF BOOKS <u>1</u>	REG./CERT. & OVERNIGHT MAILING DEADLINE	FILING DEADLINE
October Quarterly	09/30/14	10/15/14	10/15/14
Pre-General <u>2</u>	10/15/14	10/20/14	10/23/14
Post-General	11/24/14	12/04/14	12/04/14
Year-End	12/31/14	01/31/15	01/31/15 <u>3</u>

## SUPPLEMENTAL FILING INFORMATION

- Congressional Committees
- Parties and PACs

## FOOTNOTES:

**1** These dates indicate the end of the reporting period. A reporting period always begins the day after the closing date of the last report filed. If the committee is new and has not previously filed a report, the first report must cover all activity that occurred before the committee registered up through the close of books for the first report due.

**2 Parties and PACs:** required only if committee makes contributions or expenditures in connection with the general election during the reporting period. See 11 CFR 104.5(c)(1)(ii).

**Congressional Committees:** the principal campaign committee of a candidate who participates in the general election must file pre-and post-general election reports. See 11 CFR 104.5(a)(2).

**3** Notice that this filing deadline falls on a weekend. Filing deadlines are not extended when they fall on nonworking days. Accordingly, reports filed by methods other than Registered, Certified or Overnight Mail, or electronically, must be received before the Commission's (or for committees supporting only Senate candidates, the Secretary of the Senate's Public Records Office) close of business on the last business day before the deadline. See also Supplemental Filing Information [Congressional Committees] [Parties and PACs].

**FOR INFORMATION, CALL: (800) 424-9530 or (202) 694-1100**

**Return to 2014 Reporting Schedule**

## Other Filing Information:

- Electioneering Communications Periods
- 48- and 24-Hour Reports of Independent Expenditures Periods
- Coordinated Communications Periods
- Federal Election Activity Periods

**(top of page)**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-7

August 4, 2014

GRAHAM, JOEL A., TREASURER  
FRIENDS OF STEPHEN K. SIMPSON,  
INC.  
P O BOX 1960  
MILLEDGEVILLE, GA 31059

IDENTIFICATION NUMBER: C00504175

REFERENCE: JULY QUARTERLY REPORT (05/01/2014 - 06/30/2014)

Dear Treasurer:

It has come to the attention of the Federal Election Commission that you may have failed to file the above referenced report of receipts and disbursements or failed to file a report covering the entire reporting period as required by the Federal Election Campaign Act, as amended.

It is important that you file this report immediately. The report must be filed with the Federal Election Commission, 999 E Street, N.W., Washington, DC 20463 for House candidates, or the Secretary of the Senate, 232 Hart Senate Office Building, Washington, DC 20510 (if sent via overnight delivery service) or Senate Office of Public Records, P.O. Box 77578, Washington, DC 20013-7578 (if sent via USPS) for Senate Candidates. Please note that electronic filers must submit their reports electronically, as per 11 CFR §104.18. A copy of the report must also be filed with the Secretary of State or equivalent State officer unless the State is exempt from the federal requirement to receive and maintain paper copies. You can verify the Commission's receipt of any documents submitted by your committee on the FEC website at [www.fec.gov](http://www.fec.gov).

The failure to timely file a complete report may result in civil money penalties, an audit or legal enforcement action. The civil money penalty calculation for late reports does not include a grace period and begins on the day following the due date for the report. Due to heightened security screening measures, delivery of mail by the US Postal Service may be delayed. The Commission recommends that you submit your report via overnight delivery or courier service.

FRIENDS OF STEPHEN K. SIMPSON, INC.

Page 2 of 2

If you have any questions regarding this matter, please contact Marlene Colucci at our toll-free number (800)424-9530. His/Her direct number is (202)694-1394.

Sincerely,

*Debbie Chacona*

Deborah Chacona  
Assistant Staff Director  
Reports Analysis Division

250

14330056125



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

2014 DEC 10 PM 12:47

December 10, 2014

**MEMORANDUM**

**SENSITIVE**

To: The Commission

Through: Alec Palmer *for PCO*  
Staff Director

From: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Rhiannon Magruder *RM*  
Reviewing Officer  
Office of Administrative Review

Subject: Reviewing Officer Recommendation in AF# 2818 – Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer (C00504175)

The attached Reviewing Officer Recommendation is being circulated on an informational basis. A copy was also sent to the respondents in accordance with 11 C.F.R. § 111.36(f). The respondents may file with the Commission Secretary a written response within 10 days of transmittal of the recommendation. After the 10 day period, the Reviewing Officer Recommendation and the respondents' written response, if any, will be circulated to the Commission to make a final determination.

Attachment



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 10, 2014

**REVIEWING OFFICER RECOMMENDATION  
OFFICE OF ADMINISTRATIVE REVIEW ("OAR")**

AF# 2818 – Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer (C00504175)

**Summary of Recommendation**

Make a final determination that the respondents violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a))<sup>1</sup> and assess a \$1,090 civil money penalty.

**Reason-to-Believe Background**

The 2014 July Quarterly Report was due on July 15, 2014. The respondents filed the report on October 3, 2014, 80 days late. The report is not election sensitive and was filed more than 30 days after the due date; therefore, the report is considered not filed. 11 C.F.R. §§ 111.43(d)(1) and (e)(1).

On September 16, 2014, the Commission found reason to believe ("RTB") that the respondents violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) for failing to timely file the 2014 July Quarterly Report and made a preliminary determination that the civil money penalty was \$2,970 based on the schedule of penalties at 11 C.F.R. § 111.43. A letter was mailed to the respondents' address of record from the Reports Analysis Division ("RAD") on September 17, 2014 to notify them of the Commission's RTB finding and civil money penalty.

**Legal Requirements**

The Federal Election Campaign Act ("Act") states that the treasurer of a principal campaign committee shall file a report for the quarter ending June 30 no later than July 15. 52 U.S.C. § 30104(a)(2)(A)(iii) (formerly 2 U.S.C. § 434(a)(2)(A)(iii)) and 11 C.F.R. § 104.5(a)(1)(i). Reports electronically filed must be received and validated at or before 11:59 pm Eastern Standard/Daylight Time on the filing deadline to be timely filed. 11 C.F.R. §§ 100.19(c) and 104.5(e). The treasurer shall be personally responsible for the timely filing of reports. 11 C.F.R. § 104.14(d).

**Respondents' Challenge**

On October 27, 2014, the Commission received the written response ("challenge") from the Treasurer challenging the RTB finding. The Treasurer states he was unable to timely file the 2014 July Quarterly Report, despite his best efforts to do so.

The challenge further explains that the Treasurer discussed the report with the Committee's Certified Public Accountant prior to the due date. The day before the due date, the

<sup>1</sup> On September 1, 2014, the Federal Election Campaign Act of 1971, as amended ("the Act"), was transferred from Title 2 of the United States Code to new Title 52 of the United States Code.



CPA "attempted to open and update the Committee files, only to find them corrupted." After the Treasurer's attempts to open the files were also unsuccessful, the CPA attempted to contact FEC Technical Support, and then he consulted the FEC website for the FECFile user manual and software support.

After realizing the files were irretrievable, the CPA began a manual rebuild of the Committee's file. This process began on July 15, 2014 and took nearly 3 months. The Treasurer regularly spoke with the CPA in "...July and September to inquire into the status of the rebuild and remind him of the time-sensitivity of the task." Upon completion, the Treasurer electronically filed the report on October 3, 2014, "within 24 hours of the unforeseen technical difficulties."

The challenge then highlights the "best efforts" defense outlined at 11 C.F.R. § 111.35, specifically mentioning that failure of Commission-provided software despite seeking technical assistance from Commission personnel and resources would be sufficient grounds to constitute a valid "best efforts" defense. The Treasurer states:

"The circumstances encountered by the Committee in filing its July 15th Quarterly Report were encountered despite the informed use of the filing software, as evidenced by the Committee's history of correctly filed reports. ...[The CPA] attempted to contact the Commission's Technical Support service, and thereafter consulted the online help and user manual for the software. Upon completion of the rebuilding of the Committee file, I verified and uploaded the July Quarterly [R]eport to the FEC Electronic Filing Server straightaway in order to comply with the 24 hour requirement of 11 [C.F.R.] § 111.35(b)(3). The Committee's effort in rebuilding the file accurately and completely, though time consuming, resulted in a true and correct reflection of the financial status of the Committee."

At RTB, the Commission used an estimated level of activity of \$51,449 to calculate the fine. The challenge contends the fine should be reduced to \$1,090 to reflect the actual level of activity of the 2014 July Quarterly Report. The Committee states the report disclosed \$8,075 in receipts and \$40,482 in disbursements.

In conclusion, the Treasurer states that the Candidate has no intention of participating in any future campaigns for federal office. "The only activities contemplated by the Committee at this juncture include the resolution of debts and winding down of Committee activity." The Treasurer expresses that "...the technological failure...was unfortunate, and frankly embarrassing." He then requests that the Reviewing Officer "recommend dismissal of the administrative action based on [their] best efforts in resolving the difficulties [they] encountered in submitting [the 2014 July Quarterly Report]."

## Analysis

The challenge contends that on July 14, 2014, the day before the filing deadline, the CPA went to prepare the 2014 July Quarterly Report and realized the Committee's data files were corrupt. The Treasurer states that the CPA attempted to contact FEC Technical Support regarding the Committee's corrupt data files and ultimately consulted the FEC's website for assistance. The Treasurer states that it took the Committee nearly three months to manually rebuild the Committee's data file.

According to the Manager of the Systems Analysis and Design Branch within the Commission's Office of the Chief Information Officer ("OCIO"), there are no records indicating the Committee attempted to contact the Electronic Filing Office ("EFO") around the 2014 July Quarterly filing deadline. The Committee's first contact with Commission staff regarding filing the 2014 July Quarterly Report was on August 18, 2014. According to RAD telecoms (written records of telephone conversations), the Treasurer called the RAD Analyst and informed her that the Committee would submit the 2014 July Quarterly Report as soon as possible. The Treasurer did not mention any technical difficulties and did not ask for any technical assistance.

On October 3, 2014, the Committee electronically filed the 2014 July Quarterly Report, 80 days late.

On October 21, 2014, the Treasurer called the RAD Compliance Analyst in response to RAD's RTB Letter. The Treasurer inquired about the challenge process and mentioned he did not have access to the Committee's data until after the filing deadline. He did not mention any technical difficulties.

The Treasurer asserts he used his best efforts to file on time. The "best efforts" defense is a two-part test: (1) the respondents used best efforts to file on time but were prevented from doing so by reasonably unforeseen circumstances that were beyond their control and (2) they filed the report no later than 24 hours after the end of these circumstances. 11 C.F.R. § 111.35(b)(3). The challenge contends the respondents experienced a failure of Commission-provided software despite seeking technical assistance from Commission personnel and resources, which is outlined as a circumstance that will be considered reasonably unforeseen and beyond the control of the respondent at 11 C.F.R. § 111.35(c). In addition, the respondents assert they met the second part of the "best efforts" test by filing within 24 hours of completing the data file rebuild.

While the CPA may have been unsuccessful in his initial attempt to contact EFO for technical assistance, the Committee never made any subsequent attempts to contact EFO or RAD for technical assistance. In addition, the Treasurer spoke to RAD Analysts specifically about the late filing of the report and never mentioned any technical difficulties or requested assistance. One can reasonably presume that since the respondents never made contact with Commission staff regarding the technical difficulties during the nearly three month rebuilding period, the respondents did not believe the technical difficulties were the fault of the Commission.

In addition, the OCIO Manager states there is no indication of any problems with Commission computers or FECFile that would have prevented the Committee from timely filing the 2014 July Quarterly Report. Furthermore, the OCIO Manager explains in his response to

OAR's Request for Information that a committee is "...responsible entirely for storing the data file, and maintaining the health and backup of this file. The Commission has no access to a committee's stored data file, and therefore, has no impact on the health and contents of this file." The *Common Electronic Filing Mistakes* page of the Commission's website also warns: "**Back up your data file!** The file that contains all of your reports, the "data file" (\*.def), should be backed up. It is very difficult and time consuming to recreate your file should you lose your data" [emphasis in original].

Thus, the corruption of the Committee's data file cannot be attributed to a failure of Commission computers or Commission-provided software. Instead, the Committee holds the responsibility of the corrupt file. A "best efforts" defense will not succeed if it is based on any circumstances listed at 11 C.F.R. § 111.35(d), and two of those circumstances are negligence and committee computer failures. Therefore, the respondents do not meet the first part of the test, and their "best efforts" defense does not succeed. The fact that the respondents filed the report within 24 hours of rebuilding the file is moot.

The Reviewing Officers agrees that the civil money penalty should be recalculated based on the actual level of activity of the 2014 July Quarterly Report. At the time of the RTB finding, the Commission used an estimated level of activity (\$68,178) to calculate the fine because the report had not yet been filed. 11 C.F.R. § 111.43(d)(2)(i). The respondents' 2014 July Quarterly Report discloses \$8,075.00 in total receipts and \$40,482.36 in total disbursements, resulting in an actual level of activity of \$48,557.36. Therefore, using the schedule of penalties at 11 C.F.R. § 111.43(a), for respondents with no previous violations, and the level of activity bracket of \$25,000 - \$49,999.99, the civil money penalty is \$1,090 x [1 + (.25 x 0)] or \$1,090, reduced from the RTB civil money penalty of \$2,970.

The Reviewing Officer recommends that the Commission make a final determination that the respondents violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and assess a \$1,090 civil money penalty.

#### **OAR Recommendations**

- 1) Adopt the Reviewing Officer recommendation for AF# 2818 involving Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer, in making the final determination;
- 2) Make a final determination in AF# 2818 that Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and assess a \$1,090 civil money penalty; and
- 3) Send the appropriate letter.

Reviewing Officer: Rhiannon Magruder

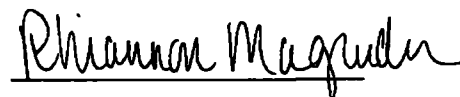
## **Attachments**

- Attachment 1 -
- Attachment 2 -
- Attachment 3 -
- Attachment 4 -
- Attachment 5 -
- Attachment 6 - Declaration from OAR

14002670-17039

### DECLARATION OF RHIANNON MAGRUDER

- 1) I am the Reviewing Officer in the Office of Administrative Review for the Federal Election Commission ("Commission"). In my capacity as Reviewing Officer, I conduct research with respect to all challenges submitted in accordance with the Administrative Fine program.
- 2) The principal campaign committee of a candidate must file a report for the quarter ending June 30 no later than July 15. Reports filed electronically must be received and validated at or before 11:59 pm, Eastern Standard/Daylight Time on July 15 for the July Quarterly Report to be timely filed.
- 3) It is the practice of the Reports Analysis Division to document all calls to or from committees regarding a letter they receive or any questions relating to the FECFile software or administrative fine regulations, including due dates of reports and filing requirements.
- 4) I hereby certify that I have searched the Commission's public records and that the documents identified herein are the true and accurate copies of:
  - a) Report Cover Page, Summary Page, and Detailed Summary Pages for the 2014 July Quarterly Report electronically filed by Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer. According to the Commission's records, the report covers the period from May 1 through June 30, 2014 and was received on October 3, 2014.
- 5) Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed at Washington, D.C. on the 10th day of December, 2014.



Rhiannon Magruder  
Reviewing Officer  
Office of Administrative Review  
Federal Election Commission

**FEC  
FORM 3****REPORT OF RECEIPTS  
AND DISBURSEMENTS**  
For An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full) TYPE OR PRINT ▼ Example: If typing, type over the lines. 12FE4M5

Friends of Stephen K. Simpson, Inc.

ADDRESS (number and street) ▼

P O Box 1960

Check if different  
than previously  
reported. (ACC)

Milledgeville

GA

31059

2. FEC IDENTIFICATION NUMBER ▼

C C00504175

CITY ▲

STATE ▲

ZIP CODE ▲

STATE ▼ DISTRICT

3. IS THIS REPORT X NEW (N) OR AMENDED (A)

GA 10

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

April 15 Quarterly Report (Q1)

X July 15 Quarterly Report (Q2)

October 15 Quarterly Report (Q3)

January 31 Year-End Report (YE)

Termination Report (TER)

(b) 12-Day PRE-Election Report for the:

Primary (12P)

General (12G)

Runoff (12R)

Convention (12C)

Special (12S)

Election on

in the  
State of

(c) 30-Day POST-Election Report for the:

General (30G)

Runoff (30R)

Special (30S)

Election on

in the  
State of

5. Covering Period 05 01 2014 through 06 30 2014

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Joel A. Graham

Signature of Treasurer Joel A. Graham

[Electronically Filed]

Date

10

03

2014

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

Office  
Use  
Only**FEC FORM 3**  
(Revised 02/2003)

# SUMMARY PAGE

of Receipts and Disbursements

Write or Type Committee Name

Friends of Stephen K. Simpson, Inc.

Report Covering the Period: From: 05 01 2014 To: 06 30 2014

	COLUMN A This Period	COLUMN B Election Cycle-to-Date
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e)) .....	7275.00	186470.49
(b) Total Contribution Refunds (from Line 20(d)) .....	0.00	5365.00
(c) Net Contributions (other than loans) (subtract Line 6(b) from Line 6(a)) .....	7275.00	181105.49
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17) .....	40482.36	212425.26
(b) Total Offsets to Operating Expenditures (from Line 14) .....	800.00	2555.63
(c) Net Operating Expenditures (subtract Line 7(b) from Line 7(a)) .....	39682.36	209869.63
8. Cash on Hand at Close of Reporting Period (from Line 27) .....	23241.12	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D) .....	0.00	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D) .....	80420.00	

## For further information contact:

Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Toll Free 800-424-9530  
Local 202-694-1100

# **DETAILED SUMMARY PAGE** of Receipts

FEC Form 3 (Revised 12/2003)

PAGE 3 / 37

Write or Type Committee Name

Friends of Stephen K. Simpson, Inc.

Report Covering the Period: From: 05 01 2014 To: 06 30 2014

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A).....	5635.00	165036.00
(ii) Unitemized .....	1640.00	14434.49
(iii) TOTAL of contributions from individuals .....	7275.00	179470.49
(b) Political Party Committees.....	0.00	0.00
(c) Other Political Committees (such as PACs).....	0.00	1000.00
(d) The Candidate .....	0.00	6000.00
(e) TOTAL CONTRIBUTIONS (other than loans) (add Lines 11(a)(iii), (b), (c), and (d))..	7275.00	186470.49
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES .....	0.00	0.00
13. LOANS:		
(a) Made or Guaranteed by the Candidate.....	0.00	52700.00
(b) All Other Loans.....	0.00	0.00
(c) TOTAL LOANS (add Lines 13(a) and (b)).....	0.00	52700.00
14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.) .....	800.00	2555.63
15. OTHER RECEIPTS (Dividends, Interest, etc.) .....	0.00	0.00
16. TOTAL RECEIPTS (add Lines 11(e), 12, 13(c), 14, and 15) (Carry Total to Line 24, page 4).....	8075.00	241726.12



# **DETAILED SUMMARY PAGE** of Disbursements

FEC Form 3 (Revised 02/2003)

PAGE 4 / 37

II. DISBURSEMENTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
17. OPERATING EXPENDITURES.....	40482.36	212425.26
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES.....	0.00	0.00
19. LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate.....	0.00	0.00
(b) Of All Other Loans.....	0.00	0.00
(c) TOTAL LOAN REPAYMENTS (add Lines 19(a) and (b)).....	0.00	0.00
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees.....	0.00	5365.00
(b) Political Party Committees.....	0.00	0.00
(c) Other Political Committees (such as PACs).....	0.00	0.00
(d) TOTAL CONTRIBUTION REFUNDS (add Lines 20(a), (b), and (c)).....	0.00	5365.00
21. OTHER DISBURSEMENTS.....	0.00	250.00
22. TOTAL DISBURSEMENTS (add Lines 17, 18, 19(c), 20(d), and 21) ►	40482.36	218040.26

## **III. CASH SUMMARY**

23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD.....	55648.48
24. TOTAL RECEIPTS THIS PERIOD (from Line 16, page 3).....	8075.00
25. SUBTOTAL (add Line 23 and Line 24).....	63723.48
26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22).....	40482.36
27. CASH ON HAND AT CLOSE OF REPORTING PERIOD (subtract Line 26 from Line 25).....	23241.12



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 10, 2014

Joel A. Graham, Treasurer  
Friends of Stephen K. Simpson, Inc.  
3234 Cobbs Farm Trail  
Marietta, GA 30064

C00504175  
AF#: 2818

Dear Mr. Graham:

On September 17, 2014, the Federal Election Commission ("Commission") found reason to believe ("RTB") that Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer ("respondents"), violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) for failing to file the 2014 July Quarterly Report. The Commission also made a preliminary determination that the civil money penalty was \$2,970 based on the schedule of penalties at 11 C.F.R. § 111.43.

After reviewing the written response and any supplemental information submitted by you and Commission staff, the Reviewing Officer has recommended that the Commission make a final determination. A copy of the Reviewing Officer's recommendation is attached.

You may file with the Commission Secretary a written response to the recommendation within 10 days of the date of this letter. Your written response should be sent to the Commission Secretary, 999 E Street, NW, Washington, DC 20463 or via facsimile (202-208-3333). Please include the AF # in your response. Your response may not raise any arguments not raised in your original written response or not directly responsive to the Reviewing Officer's recommendation. 11 C.F.R. § 111.36(f). The Commission will then make a final determination in this matter.

Please contact me at the toll free number 800-424-9530 (press 0, then press 1660) or 202-694-1660 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Rhiannon Magruder".

Rhiannon Magruder  
Reviewing Officer  
Office of Administrative Review



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2014 DEC 30 PM 1:37

December 30, 2014

MEMORANDUM

**SENSITIVE**

To: The Commission

Through: Alec Palmer *ewh*  
Staff Director

From: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Rhiannon Magruder *RM*  
Reviewing Officer  
Office of Administrative Review

Subject: Final Determination Recommendation in AF# 2818 – Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer (C00504175)

On September 16, 2014, the Commission found reason to believe ("RTB") that the respondents violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) for failing to timely file the 2014 July Quarterly Report and made a preliminary determination that the civil money penalty was \$2,970 based on the schedule of penalties at 11 C.F.R. § 111.43.

On October 27, 2014, the Commission received their written response ("challenge"). After reviewing the challenge, the Reviewing Officer Recommendation ("ROR") dated December 10, 2014 was forwarded to the Commission, a copy was forwarded to the respondents, and is hereby incorporated by reference. The Reviewing Officer recommended that the Commission make a final determination that the respondents violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and assess a \$1,090 civil money penalty, reduced from the RTB civil money penalty of \$2,970. The civil money penalty was recalculated based on the actual level of activity disclosed on the 2014 July Quarterly Report.

Within 10 days of transmittal of the recommendation, they may file a written response with the Commission Secretary which may not raise any arguments not raised in their challenge or not directly responsive to the ROR. 11 C.F.R. § 111.36(f). As of this date, a written response has not been received.

### **OAR Recommendations**

- 1) Adopt the Reviewing Officer recommendation for AF# 2818 involving Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer, in making the final determination;
- 2) Make a final determination in AF# 2818 that Friends of Stephen K. Simpson, Inc. and Joel A. Graham, in his official capacity as Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and assess a \$1,090 civil money penalty (reduced from the RTB civil money penalty of \$2,970); and
- 3) Send the appropriate letter.

14-00000-1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Final Determination Recommendation: ) AF 2818  
Friends of Stephen K. Simpson, Inc. and )  
Joel A. Graham, in his official capacity )  
as Treasurer (C00504175) )

CERTIFICATION


I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election  
Commission, do hereby certify that on January 12, 2015, the Commission  
decided by a vote of 6-0 to take the following actions in AF 2818:

1. Adopt the Reviewing Officer recommendation for AF# 2818  
involving Friends of Stephen K. Simpson, Inc. and Joel A. Graham,  
in his official capacity as Treasurer, in making the final determination.
2. Make a final determination in AF# 2818 that Friends of Stephen K.  
Simpson, Inc. and Joel A. Graham, in his official capacity as  
Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a))  
and assess a \$1,090 civil money penalty (reduced from the RTB civil  
money penalty of \$2,970).
3. Send the appropriate letter.

Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub  
voted affirmatively for the decision.

Attest:

  
Date

  
Shawn Woodhead Werth  
Secretary and Clerk of the Commission



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 16, 2015

Joel A. Graham, Treasurer  
Friends of Stephen K. Simpson, Inc.  
3234 Cobbs Farm Trail  
Marietta, GA 30064

C00504175  
AF#: 2818

Dear Mr. Graham:

On September 16, 2014, the Federal Election Commission ("the Commission") found reason to believe ("RTB") that Friends of Stephen K. Simpson, Inc. and you, in your official capacity as Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) for failing to file the 2014 July Quarterly Report. By letter dated September 17, 2014, the Commission sent notification of the RTB finding that included a civil money penalty calculated at RTB of \$2,970 in accordance with the schedule of penalties at 11 C.F.R. § 111.43. On October 27, 2014, the Office of Administrative Review received your written response challenging the RTB finding.

The Reviewing Officer reviewed the Commission's RTB finding with its supporting documentation and your written response. Based on this review, the Reviewing Officer recommended that the Commission reduce the RTB civil money penalty because it was calculated using an estimated level of activity, make a final determination that Friends of Stephen K. Simpson, Inc. and you, in your official capacity as Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and, based on the actual level of activity disclosed on the 2014 July Quarterly Report filed October 3, 2014 (\$48,557), assess a civil money penalty in the amount of \$1,090 in accordance with 11 C.F.R. § 111.43. The basis for the Reviewing Officer's recommendation was included in the Reviewing Officer Recommendation, a copy of which was sent to you on December 10, 2014.

On January 12, 2015, the Commission adopted the Reviewing Officer's recommendation and made a final determination that Friends of Stephen K. Simpson, Inc. and you, in your official capacity as Treasurer, violated 52 U.S.C. § 30104(a) (formerly 2 U.S.C. § 434(a)) and, based on the level of activity disclosed on the 2014 July Quarterly Report (\$48,557), assessed a civil money penalty in the amount of \$1,090 (reduced from the RTB civil money penalty of \$2,970). It is based on the same factors used to calculate the civil money penalty at RTB except that the actual rather than the estimated level of activity was used. A copy of the Final Determination Recommendation is attached.

At this juncture, the following courses of action are available to you:

**1. If You Choose to Appeal the Final Determination and/or Civil Money Penalty**

If you choose to appeal the final determination, you should submit a written petition, within 30 days of receipt of this letter, to the district court of the United States for the district in which the committee or you reside, or transact business, requesting that the final determination be modified or set aside. See 52 U.S.C. § 30109(a)(4)(C)(iii) (formerly 2 U.S.C. § 437g(a)(4)(C)(iii)). Your failure to raise an argument in a timely fashion during the administrative process shall be deemed a waiver of the respondents' right to present such argument in a petition to the district court under 52 U.S.C. § 30109 (formerly 2 U.S.C. § 437g). 11 CFR § 111.38.

**2. If You Choose Not to Pay the Civil Money Penalty and Not to Appeal**

Unpaid civil money penalties assessed through the Administrative Fine regulations will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 *et seq.* If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 28% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

**3. If You Choose to Pay the Civil Money Penalty**

If you should decide to pay the civil money penalty, send the enclosed remittance form, along with your payment, to the address on page 4 within 30 days of receipt of this letter.

## **NOTICE REGARDING PARTIAL PAYMENTS AND SETTLEMENT OFFERS**

### **4. Partial Payments**

If you make a payment in an amount less than the civil money penalty, the amount of your partial payment will be credited towards the full civil money penalty that the Commission assessed upon making a final determination.

### **5. Settlement Offers**

Any offer to settle or compromise a debt owed to the Commission, including a payment in an amount less than the civil money penalty assessed or any restrictive endorsements contained on your check or money order or proposed in correspondence transmitted with your check or money order, will be rejected. Acceptance and deposit or cashing of such a restricted payment does not constitute acceptance of the settlement offer. Payments containing restrictive endorsements will be deposited and treated as a partial payment towards the civil money penalty that the Commission assessed upon making a final determination. All unpaid civil money penalty amounts remaining will be subject to the debt collection procedures set forth in Section 2, above.

The confidentiality provisions at 52 U.S.C. § 30109(a)(12) (formerly 2 U.S.C. § 437g(a)(12)) no longer apply and this matter is now public. Pursuant to 11 C.F.R. §§ 111.42(b) and 111.20(c), the file will be placed on the public record within 30 days from the date of this notification.

If you have any questions regarding the payment of the civil money penalty, please contact Rhiannon Magruder on our toll free number (800) 424-9530 (press 0, then ext. 1660) or (202) 694-1660.

On behalf of the Commission,



Ann M. Ravel  
Chair



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**ADMINISTRATIVE FINE PAYMENT INSTRUCTIONS**

In accordance with the schedule of penalties at 11 C.F.R. § 111.43, the civil money penalty is \$1,090 for the 2014 July Quarterly Report.

This penalty should be paid by check or money order, made payable to the Federal Election Commission. It should be sent by mail to:

Federal Election Commission  
PO Box 979058  
St. Louis, MO 63197-9000

If you choose to send your payment by courier or overnight delivery, please use this address:

U.S. Bank - Government Lockbox  
FEC # 979058  
1005 Convention Plaza  
Attn: Government Lockbox, SL-MO-C2GL  
St. Louis, MO 63101

The form and payment are due within 30 days of receipt of this letter.

**PAYMENTS BY PERSONAL CHECK**

Personal checks will be converted into electronic funds transfers (EFTs). Your account will be electronically debited for the amount on the check, usually within 24 hours, and the debit will appear on your regular statement. We will destroy your original check and keep a copy of it. In case the EFT cannot be processed for technical reasons, you authorize us to process the copy in lieu of the original check. Should the EFT not be completed because of insufficient funds, we may try to make the transfer twice.

**PLEASE DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT**  
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FOR: Friends of Stephen K. Simpson, Inc.

FEC ID#: C00504175

AF#: 2818

PAYMENT AMOUNT DUE: \$1,090

**PAYMENT AMOUNT DUE: \$1,090**

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FEDERAL ELECTION COMMISSION

Lockbox: GLX-979058    Ledger Date 02/18/2015



**St. Louis GA Lockbox  
(314) 425-1818**

Batch	Item	TID	Batch Total	Amount
1	1	Y-3053272	\$1,090.00	\$1,090.00



FEDERAL ELECTION COMMISSION  
Washington DC 20463

THIS IS THE END OF ADMINISTRATIVE FINE CASE # 2818

DATE SCANNED 3/13/15

SCANNER NO. 2

SCAN OPERATOR EES

14-00000-1